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TO : Chief, Economic Research Area

DATE: 24 July 1957

FROM : Chief, Services Division

SUBJECT: Proposed Intelligence Work Program for U.S. Economic Defense Policy

1. Attached is a copy of the Executive Committee study program to implement Paragraph 9 of proposed U.S. Economic Defense Policy. This study program was approved in principle at the meeting of 23 July. I call it to your attention specifically because, unless a very clear understanding of the extent and worth of a program to implement this proposal is clearly understood in the Committee, endless recriminations may result.

2. I have proposed to S/TD that a thoughtful presentation be organized which would investigate the objectives of the Sino-Soviet states, a probable program for the implementation of these objectives, and the manner in which a limited but effective control program might serve to deter the achievement of these objectives. I also asked that S/TD include in this presentation, a brief discussion of the extent to which the development of a control program might in fact serve to contribute to the Sino-Soviet Bloc achievement of objectives even as it sought to deter such achievement. I suggested that in the development of control areas, a list, in part identical with the proposals under 2.b.4., should be the objective in terms of identification of the control apparatus but that the justification of this list should relate both to its appeal to inhibit the objectives as well as to characterize situations in which the articles were now or might in the future be in critical supply in the USSR. In short, I envisioned the rationale of the area subject to control to be based more on the identified objectives and the necessary materials and equipment for their achievement than on a highly detailed enumeration of individual items of materials and equipment. It seems to me that intelligence information available or likely to become available is more suited to the above framework of analysis even as it seems that the success of the final contribution made by the U.S. in COCOM would be more persuasive if based on such a rationale.

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3. It is my opinion that we should move quickly to establish the sort of intelligence contribution to this work program which is reasonable in terms of the information available and useful in terms of the objectives sought by the Economic Defense Policy. The AD's office has been worrying us about the proposal and I have indicated that I am drafting this memorandum to consider the matter in detail with you prior to the time that any request for action from ORR either to approve the work program at the EDAC level or to make recommendations to Admiral DeLany to have the program altered occurs. I should appreciate an opportunity to discuss your reactions to this proposal as soon as possible. There will be an Executive Committee meeting the afternoon of 25 July.

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Attachment:

Executive Committee study program.

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